



**GENTRY COUNTY, MISSOURI  
YEARS ENDED DECEMBER 31, 2003 AND 2002**

**From The Office Of State Auditor  
Claire McCaskill**

**Report No. 2004-101  
December 30, 2004  
[www.auditor.mo.gov](http://www.auditor.mo.gov)**

# AUDIT REPORT



Office Of The  
State Auditor Of Missouri  
Claire McCaskill

December 2004

**IMPORTANT: The Missouri State Auditor is required by state law to conduct audits once every 4 years in counties, like Gentry, that do not have a county auditor. In addition to a financial and compliance audit of various county operating funds, the State Auditor's statutory audit covers additional areas of county operations, as well as the elected county officials, as required by Missouri's Constitution.**

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This audit of Gentry County included additional areas of county operations, as well as the elected county officials. The following concerns were noted as part of the audit:

- The county does not adequately track or report federal financial assistance on the schedule of expenditures of federal awards (SEFA). The county's SEFA contained several errors and omissions.
- Section 50.333.13, RSMo, enacted in 1997, allowed salary commissions meeting in 1997 to provide a mid-term salary increase for associate county commissioners elected in 1996, due to the fact that their terms were increased from two years to four. Based on this law, in 1999 Gentry County Associate County Commissioners' salaries were each increased approximately \$3,250 yearly, according to information from the County Clerk.

On May 15, 2001, the Missouri Supreme Court handed down an opinion that holds that all raises given pursuant to this statute section are unconstitutional. Based on the Supreme Court decision, the raises given to each of the Associate County Commissioners, totaling approximately \$6,500 for the two years ended December 31, 2000, should be repaid.

Officials' salaries were not always handled consistent with the salary commission decisions. There was some question as to whether the associate county commissioners' salaries, established at the 1999 salary commission meeting, were set at a level below the statutory amount. A 2002 Prosecuting Attorney opinion, which indicated a previous opinion addressing various salary issues was in error, made no mention of corrections to the associate county commissioners' salaries although an adjustment was made to the County Clerk's salary in 2002 for underpayments in previous years.

- Duties in the Sheriff's office are not adequately segregated and there is no independent oversight. Numerous weaknesses related to receipt procedures were noted, including receipt slips not being issued for some monies received, the numerical sequence of receipt slips not being accounted for, receipts not being

(over)

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deposited intact, monthly bank reconciliations not always being performed, and open items listings not being prepared. In addition, adequate control over seized property has not been established.

- County Aid Road Trust (CART) monies were distributed to townships during the two years ended December 31, 2003 without written contracts. The County Clerk does not ensure the township boards' financial statements are prepared and published and some township collectors bonds were insufficient.
- The County Commission does not maintain minutes of their closed sessions and minutes of applicable open meetings did not always indicate the decisions made and votes taken in closed session.

The audit also suggested improvements to procedures over capital assets and fuel and vehicle records. In addition, the audit included recommendations to the Emergency Dispatch Board and Tri-County Health Center Board.

**All reports are available on our website: [www.auditor.mo.gov](http://www.auditor.mo.gov)**

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## FINANCIAL SECTION

## State Auditor's Reports



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL  
STATEMENTS AND SUPPLEMENTARY SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS**

To the County Commission  
and  
Officeholders of Gentry County, Missouri

We have audited the accompanying Statements of Receipts, Disbursements, and Changes in Cash - Various Funds and Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual - Various Funds of Gentry County, Missouri, as of and for the years ended December 31, 2003 and 2002. These financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1 to the financial statements, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Gentry County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31, 2003 and 2002, on the basis of accounting discussed in Note 1.



In accordance with *Government Auditing Standards*, we also have issued our report dated September 30, 2004, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements, taken as a whole, that are referred to in the first paragraph. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the management of Gentry County, Missouri, and was not subjected to the auditing procedures applied in the audit of the financial statements referred to above. Accordingly, we express no opinion on the information.



Claire McCaskill  
State Auditor

September 30, 2004 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Thomas J. Kremer, CPA
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	George M. Atkinson, CPA
Audit Staff:	Gek Mui Melinda Tan
	Naima Ramlatchman
	Julie Vollmer
	Tania Williams



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission  
and  
Officeholders of Gentry County, Missouri

We have audited the financial statements of various funds of Gentry County, Missouri, as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated September 30, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the financial statements of various funds of Gentry County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which are described in the accompanying Management Advisory Report.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of various funds of Gentry County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all

matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting which are described in the accompanying Management Advisory Report.

This report is intended for the information and use of the management of Gentry County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo 2000, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, reading "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" and last name "McCaskill" clearly distinguishable.

Claire McCaskill  
State Auditor

September 30, 2004 (fieldwork completion date)

## Financial Statements

Exhibit A-1

GENTRY COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS  
YEAR ENDED DECEMBER 31, 2003

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 51,287	1,019,151	1,046,301	24,137
Special Road and Bridge	45,864	870,286	796,465	119,685
Assessment	4,175	98,010	95,113	7,072
Special Election	0	9,837	9,837	0
Law Enforcement Training	201	1,217	1,178	240
Prosecuting Attorney Training	645	284	0	929
Prosecuting Attorney Bad Check	10,395	6,884	4,734	12,545
Emergency Preparedness	27,592	17,557	14,404	30,745
Children's Trust	2,555	245	0	2,800
Prosecuting Attorney Tax Collection	4,537	1,028	0	5,565
POST Commission	2,393	0	0	2,393
Emergency	500	30,000	27,265	3,235
Sheriff's Civil Fees	10,583	11,512	5,644	16,451
Recorder User Fees	15,490	4,487	0	19,977
Victims Advocate	(2,333)	26,541	24,698	(490)
Tax Maintenance	0	5,782	75	5,707
Recorder Technology Fund	2,959	2,439	0	5,398
County Clerk Election	934	1,602	0	2,536
Law Library	2,466	1,020	0	3,486
Circuit Clerk Interest	649	86	708	27
Tri-County Health Center	188,758	331,472	328,294	191,936
Emergency Dispatch	256,029	203,561	210,932	248,658
Community Development Block Grant	5	0	0	5
Associate Circuit Division Interest	2,289	277	36	2,530
Total	\$ 627,973	2,643,278	2,565,684	705,567

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A-2

GENTRY COUNTY, MISSOURI  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS  
YEAR ENDED DECEMBER 31, 2002

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 29,772	1,115,072	1,093,557	51,287
Special Road and Bridge	(10,436)	1,052,809	996,509	45,864
Assessment	8,109	106,807	110,741	4,175
Special Election	(1)	9,699	9,698	0
Law Enforcement Training	188	1,314	1,301	201
Prosecuting Attorney Training	554	329	238	645
Prosecuting Attorney Bad Check	13,421	7,562	10,588	10,395
Emergency Preparedness	25,031	13,369	10,808	27,592
Children's Trust	2,310	245	0	2,555
Prosecuting Attorney Tax Collection	4,677	160	300	4,537
POST Commission	2,011	682	300	2,393
Emergency	89,500	30,000	119,000	500
Sheriff's Civil Fees	1,985	9,704	1,106	10,583
Recorder User Fees	12,449	4,307	1,266	15,490
Victims Advocate	3,551	26,076	31,960	(2,333)
Recorder Technology Fund	813	2,146	0	2,959
County Clerk Election	685	249	0	934
Law Library	1,208	1,470	212	2,466
Circuit Clerk Interest	1,018	209	578	649
Tri-County Health Center	211,714	344,826	367,782	188,758
Emergency Dispatch	240,288	211,762	196,021	256,029
Community Development Block Grant	5	0	0	5
Associate Circuit Division Interest	1,900	404	15	2,289
Total	\$ 640,752	2,939,201	2,951,980	627,973

The accompanying Notes to the Financial Statements are an integral part of this statement.

## Exhibit B

## GENTRY COUNTY, MISSOURI

## COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>TOTALS - VARIOUS FUNDS</u></b>						
RECEIPTS	\$ 2,885,964	2,641,981	(243,983)	2,902,259	2,938,797	36,538
DISBURSEMENTS	2,994,119	2,565,648	428,471	2,901,921	2,951,965	(50,044)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(108,155)	76,333	184,488	338	(13,168)	(13,506)
CASH, JANUARY 1	623,213	623,213	0	638,847	638,847	0
CASH, DECEMBER 31	515,058	699,546	184,488	639,185	625,679	(13,506)
<b><u>GENERAL REVENUE FUND</u></b>						
RECEIPTS						
Property taxes	316,500	320,049	3,549	298,500	318,063	19,563
Sales and use taxes	229,000	230,640	1,640	235,000	228,668	(6,332)
Intergovernmental	435,030	188,505	(246,525)	197,984	246,873	48,889
Charges for services	139,170	144,237	5,067	177,500	112,322	(65,178)
Interest	3,000	1,504	(1,496)	18,000	4,657	(13,343)
Other	10,910	14,216	3,306	11,245	30,489	19,244
Transfers in	120,000	120,000	0	174,000	174,000	0
Total Receipts	1,253,610	1,019,151	(234,459)	1,112,229	1,115,072	2,843
DISBURSEMENTS						
County Commissior	65,710	65,285	425	49,650	49,117	533
County Clerk	76,240	73,327	2,913	85,225	85,352	(127)
Elections	3,300	2,380	920	27,350	22,222	5,128
Buildings and grounds	317,325	53,089	264,236	73,325	60,398	12,927
Employee fringe benefit	94,930	91,844	3,086	71,500	70,290	1,210
County Treasurer and Ex Officio County Collecto	53,523	52,642	881	52,729	50,730	1,999
Circuit Clerk and Ex Officio Recorder of Deed	10,150	11,334	(1,184)	8,550	8,823	(273)
Associate Circuit and Probate Cour	10,700	6,337	4,363	11,250	7,090	4,160
Court administration	34,900	33,424	1,476	8,200	12,694	(4,494)
Public Administrator	26,392	26,257	135	26,804	26,215	589
Sheriff	212,443	212,607	(164)	242,710	217,007	25,703
Jail	72,750	72,077	673	134,425	142,426	(8,001)
Prosecuting Attorney	62,924	62,241	683	56,825	63,362	(6,537)
Juvenile Officer	9,995	8,689	1,306	7,774	7,241	533
County Coroner	13,848	11,434	2,414	11,975	12,409	(434)
Public health and welfare service	17,400	8,181	9,219	17,400	19,064	(1,664)
Other	215,321	205,153	10,168	133,520	126,863	6,657
Transfers out	84,000	50,000	34,000	112,254	112,254	0
Total Disbursements	1,381,851	1,046,301	335,550	1,131,466	1,093,557	37,909
RECEIPTS OVER (UNDER) DISBURSEMENTS	(128,241)	(27,150)	101,091	(19,237)	21,515	40,752
CASH, JANUARY 1	51,287	51,287	0	29,772	29,772	0
CASH, DECEMBER 31	(76,954)	24,137	101,091	10,535	51,287	40,752

## Exhibit B

## GENTRY COUNTY, MISSOURI

## COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>SPECIAL ROAD AND BRIDGE FUND</u></b>						
RECEIPTS						
Property taxes	16,000	15,969	(31)	16,000	15,935	(65)
Intergovernmental	730,384	767,347	36,963	854,560	934,967	80,407
Charges for service:	11,800	30,633	18,833	11,500	11,812	312
Interest	100	719	619	3,500	712	(2,788)
Other	55,610	55,618	8	13,500	29,383	15,883
Transfers in	30,000	0	(30,000)	60,000	60,000	0
Total Receipts	843,894	870,286	26,392	959,060	1,052,809	93,749
DISBURSEMENTS						
Salaries	153,400	129,139	24,261	167,892	156,215	11,677
Employee fringe benefit	12,280	9,622	2,658	12,000	11,726	274
Supplies	8,000	14,795	(6,795)	8,000	7,598	402
Insurance	24,855	25,515	(660)	27,800	16,841	10,959
Road and bridge materials	228,500	199,902	28,598	261,500	245,232	16,268
Equipment repairs	15,000	1,340	13,660	15,000	12,868	2,132
Rentals	0	0	0	5,000	0	5,000
Equipment purchases	48,400	30,800	17,600	500	5,821	(5,321)
Construction, repair, and maintenance	211,384	254,943	(43,559)	390,000	452,934	(62,934)
Other	5,384	10,409	(5,025)	4,784	32,274	(27,490)
Transfers out	120,000	120,000	0	55,000	55,000	0
Total Disbursements	827,203	796,465	30,738	947,476	996,509	(49,033)
RECEIPTS OVER (UNDER) DISBURSEMENTS	16,691	73,821	57,130	11,584	56,300	44,716
CASH, JANUARY 1	45,864	45,864	0	(10,436)	(10,436)	0
CASH, DECEMBER 31	62,555	119,685	57,130	1,148	45,864	44,716
<b><u>ASSESSMENT FUND</u></b>						
RECEIPTS						
Intergovernmental	79,847	77,702	(2,145)	83,528	84,056	528
Charges for service:	250	229	(21)	0	247	247
Interest	0	79	79	0	240	240
Other	0	0	0	250	10	(240)
Transfers in	24,000	20,000	(4,000)	23,107	22,254	(853)
Total Receipts	104,097	98,010	(6,087)	106,885	106,807	(78)
DISBURSEMENTS						
Assessor	104,051	95,113	8,938	114,160	110,741	3,419
Total Disbursements	104,051	95,113	8,938	114,160	110,741	3,419
RECEIPTS OVER (UNDER) DISBURSEMENTS	46	2,897	2,851	(7,275)	(3,934)	3,341
CASH, JANUARY 1	4,175	4,175	0	8,109	8,109	0
CASH, DECEMBER 31	4,221	7,072	2,851	834	4,175	3,341
<b><u>SPECIAL ELECTION FUND</u></b>						
RECEIPTS						
Intergovernmental	12,300	9,837	(2,463)	17,378	9,699	(7,679)
Total Receipts	12,300	9,837	(2,463)	17,378	9,699	(7,679)
DISBURSEMENTS						
County Clerk	12,250	9,837	2,413	17,377	9,698	7,679
Total Disbursements	12,250	9,837	2,413	17,377	9,698	7,679
RECEIPTS OVER (UNDER) DISBURSEMENTS	50	0	(50)	1	1	0
CASH, JANUARY 1	0	0	0	(1)	(1)	0
CASH, DECEMBER 31	50	0	(50)	0	0	0



## Exhibit B

## GENTRY COUNTY, MISSOURI

## COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>LAW ENFORCEMENT TRAINING FUND</u></b>						
RECEIPTS						
Charges for service:	1,400	1,217	(183)	1,200	1,314	114
Total Receipts	1,400	1,217	(183)	1,200	1,314	114
DISBURSEMENTS						
Sheriff	1,400	1,178	222	1,250	1,301	(51)
Total Disbursements	1,400	1,178	222	1,250	1,301	(51)
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	39	39	(50)	13	63
CASH, JANUARY 1	201	201	0	188	188	0
CASH, DECEMBER 31	201	240	39	138	201	63
<b><u>PROSECUTING ATTORNEY TRAINING FUND</u></b>						
RECEIPTS						
Charges for service:	300	284	(16)	300	329	29
Total Receipts	300	284	(16)	300	329	29
DISBURSEMENTS						
Prosecuting Attorney	0	0	0	250	238	12
Total Disbursements	0	0	0	250	238	12
RECEIPTS OVER (UNDER) DISBURSEMENTS	300	284	(16)	50	91	41
CASH, JANUARY 1	645	645	0	554	554	0
CASH, DECEMBER 31	945	929	(16)	604	645	41
<b><u>PROSECUTING ATTORNEY BAD CHECK FUND</u></b>						
RECEIPTS						
Charges for service:	6,000	6,884	884	8,000	5,402	(2,598)
Intergovernmental	0	0	0	0	2,160	2,160
Total Receipts	6,000	6,884	884	8,000	7,562	(438)
DISBURSEMENTS						
Prosecuting Attorney	4,525	4,734	(209)	5,730	10,588	(4,858)
Total Disbursements	4,525	4,734	(209)	5,730	10,588	(4,858)
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,475	2,150	675	2,270	(3,026)	(5,296)
CASH, JANUARY 1	10,395	10,395	0	13,421	13,421	0
CASH, DECEMBER 31	11,870	12,545	675	15,691	10,395	(5,296)
<b><u>EMERGENCY PREPAREDNESS FUND</u></b>						
RECEIPTS						
Intergovernmental	13,480	17,557	4,077	13,896	13,369	(527)
Total Receipts	13,480	17,557	4,077	13,896	13,369	(527)
DISBURSEMENTS						
Salaries	8,106	8,081	25	7,850	7,806	44
Office expenditures:	1,036	617	419	1,002	1,303	(301)
Equipment	65	0	65	0	70	(70)
Mileage and training	700	754	(54)	1,400	721	679
Other	930	4,952	(4,022)	1,020	908	112
Total Disbursements	10,837	14,404	(3,567)	11,272	10,808	464
RECEIPTS OVER (UNDER) DISBURSEMENTS	2,643	3,153	510	2,624	2,561	(63)
CASH, JANUARY 1	27,592	27,592	0	25,031	25,031	0
CASH, DECEMBER 31	30,235	30,745	510	27,655	27,592	(63)

## Exhibit B

## GENTRY COUNTY, MISSOURI

## COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>CHILDREN'S TRUST FUND</u></b>						
RECEIPTS						
Charges for service:	250	245	(5)	200	245	45
Total Receipts	250	245	(5)	200	245	45
DISBURSEMENTS						
Shelter services:	0	0	0	0	0	0
Total Disbursements	0	0	0	0	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	250	245	(5)	200	245	45
CASH, JANUARY 1	2,555	2,555	0	2,310	2,310	0
CASH, DECEMBER 31	2,805	2,800	(5)	2,510	2,555	45
<b><u>PROSECUTING ATTORNEY TAX COLLECTION FUND</u></b>						
RECEIPTS						
Intergovernmental	200	1,028	828	550	160	(390)
Total Receipts	200	1,028	828	550	160	(390)
DISBURSEMENTS						
Prosecuting Attorney	0	0	0	0	300	(300)
Total Disbursements	0	0	0	0	300	(300)
RECEIPTS OVER (UNDER) DISBURSEMENTS	200	1,028	828	550	(140)	(690)
CASH, JANUARY 1	4,537	4,537	0	4,677	4,677	0
CASH, DECEMBER 31	4,737	5,565	828	5,227	4,537	(690)
<b><u>POST COMMISSION FUND</u></b>						
RECEIPTS						
Intergovernmental	682	0	(682)	700	682	(18)
Total Receipts	682	0	(682)	700	682	(18)
DISBURSEMENTS						
Sheriff	500	0	500	1,000	300	700
Total Disbursements	500	0	500	1,000	300	700
RECEIPTS OVER (UNDER) DISBURSEMENTS	182	0	(182)	(300)	382	682
CASH, JANUARY 1	2,393	2,393	0	2,011	2,011	0
CASH, DECEMBER 31	2,575	2,393	(182)	1,711	2,393	682
<b><u>EMERGENCY FUND</u></b>						
RECEIPTS						
Transfers in	30,000	30,000	0	30,000	30,000	0
Total Receipts	30,000	30,000	0	30,000	30,000	0
DISBURSEMENTS						
Equipment purchases	0	27,265	(27,265)	0	0	0
Transfers out	0	0	0	0	119,000	(119,000)
Total Disbursements	0	27,265	(27,265)	0	119,000	(119,000)
RECEIPTS OVER (UNDER) DISBURSEMENTS	30,000	2,735	(27,265)	30,000	(89,000)	(119,000)
CASH, JANUARY 1	500	500	0	89,500	89,500	0
CASH, DECEMBER 31	30,500	3,235	(27,265)	119,500	500	(119,000)

## Exhibit B

## GENTRY COUNTY, MISSOURI

## COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>SHERIFF'S CIVIL FEES FUND</u></b>						
RECEIPTS						
Charges for service:	10,000	11,512	1,512	14,000	9,704	(4,296)
Total Receipts	10,000	11,512	1,512	14,000	9,704	(4,296)
DISBURSEMENTS						
Sheriff	5,000	5,644	(644)	14,000	1,106	12,894
Total Disbursements	5,000	5,644	(644)	14,000	1,106	12,894
RECEIPTS OVER (UNDER) DISBURSEMENTS	5,000	5,868	868	0	8,598	8,598
CASH, JANUARY 1	10,583	10,583	0	1,985	1,985	0
CASH, DECEMBER 31	15,583	16,451	868	1,985	10,583	8,598
<b><u>RECORDER USER FEES FUND</u></b>						
RECEIPTS						
Charges for service:	4,000	4,487	487	3,200	4,307	1,107
Total Receipts	4,000	4,487	487	3,200	4,307	1,107
DISBURSEMENTS						
Recorder of Deeds	1,000	0	1,000	2,300	1,266	1,034
Total Disbursements	1,000	0	1,000	2,300	1,266	1,034
RECEIPTS OVER (UNDER) DISBURSEMENTS	3,000	4,487	1,487	900	3,041	2,141
CASH, JANUARY 1	15,490	15,490	0	12,449	12,449	0
CASH, DECEMBER 31	18,490	19,977	1,487	13,349	15,490	2,141
<b><u>VICTIMS ADVOCATE FUND</u></b>						
RECEIPTS						
Intergovernmental	28,753	26,541	(2,212)	30,000	26,076	(3,924)
Total Receipts	28,753	26,541	(2,212)	30,000	26,076	(3,924)
DISBURSEMENTS						
Salaries	24,277	20,625	3,652	21,690	24,589	(2,899)
Mileage and training	8,479	2,308	6,171	4,150	4,944	(794)
Office expenditures:	0	1,765	(1,765)	0	2,427	(2,427)
Total Disbursements	32,756	24,698	8,058	25,840	31,960	(6,120)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,003)	1,843	5,846	4,160	(5,884)	(10,044)
CASH, JANUARY 1	(2,333)	(2,333)	0	3,551	3,551	0
CASH, DECEMBER 31	(6,336)	(490)	5,846	7,711	(2,333)	(10,044)
<b><u>TAX MAINTENANCE FUND</u></b>						
RECEIPTS						
Charges for service:	5,000	5,782	782			
Total Receipts	5,000	5,782	782			
DISBURSEMENTS						
Ex Officio Collector	4,500	75	4,425			
Total Disbursements	4,500	75	4,425			
RECEIPTS OVER (UNDER) DISBURSEMENTS	500	5,707	5,207			
CASH, JANUARY 1	0	0	0			
CASH, DECEMBER 31	500	5,707	5,207			

## Exhibit B

## GENTRY COUNTY, MISSOURI

## COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>RECORDER TECHNOLOGY FUND</u></b>						
RECEIPTS						
Charges for service:	2,000	2,439	439	1,600	2,146	546
Total Receipts	2,000	2,439	439	1,600	2,146	546
DISBURSEMENTS						
Ex Officio Recorder of Deed	0	0	0	0	0	0
Total Disbursements	0	0	0	0	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	2,000	2,439	439	1,600	2,146	546
CASH, JANUARY 1	2,959	2,959	0	813	813	0
CASH, DECEMBER 31	4,959	5,398	439	2,413	2,959	546
<b><u>COUNTY CLERK ELECTION FUND</u></b>						
RECEIPTS						
Charges for service:	200	1,602	1,402	1,000	249	(751)
Total Receipts	200	1,602	1,402	1,000	249	(751)
DISBURSEMENTS						
County Clerk	0	0	0	0	0	0
Total Disbursements	0	0	0	0	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	200	1,602	1,402	1,000	249	(751)
CASH, JANUARY 1	934	934	0	685	685	0
CASH, DECEMBER 31	1,134	2,536	1,402	1,685	934	(751)
<b><u>LAW LIBRARY FUND</u></b>						
RECEIPTS						
Charges for service:				0	1,470	1,470
Total Receipts				0	1,470	1,470
DISBURSEMENTS						
Prosecuting Attorney				0	212	(212)
Total Disbursements				0	212	(212)
RECEIPTS OVER (UNDER) DISBURSEMENTS				0	1,258	1,258
CASH, JANUARY 1				1,208	1,208	0
CASH, DECEMBER 31				1,208	2,466	1,258
<b><u>CIRCUIT CLERK INTEREST FUND</u></b>						
RECEIPTS						
Interest	200	86	(114)	550	209	(341)
Total Receipts	200	86	(114)	550	209	(341)
DISBURSEMENTS						
Circuit Clerk	200	708	(508)	200	578	(378)
Total Disbursements	200	708	(508)	200	578	(378)
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	(622)	(622)	350	(369)	(719)
CASH, JANUARY 1	649	649	0	1,018	1,018	0
CASH, DECEMBER 31	649	27	(622)	1,368	649	(719)

## Exhibit B

## GENTRY COUNTY, MISSOURI

## COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>TRI-COUNTY HEALTH CENTER FUND</u></b>						
RECEIPTS						
Intergovernmental	337,948	316,211	(21,737)	372,663	324,522	(48,141)
Interest	9,000	2,346	(6,654)	10,000	6,128	(3,872)
Other	15,650	12,915	(2,735)	15,100	14,176	(924)
Total Receipts	362,598	331,472	(31,126)	397,763	344,826	(52,937)
DISBURSEMENTS						
Salaries	265,900	243,919	21,981	297,575	265,237	32,338
Office expenditures:	42,500	32,619	9,881	36,750	41,970	(5,220)
Equipment	2,750	5,158	(2,408)	3,750	3,665	85
Mileage and training	20,000	14,541	5,459	21,000	15,892	5,108
Education	16,500	10,254	6,246	17,000	16,502	498
Other	36,500	21,803	14,697	32,200	24,516	7,684
Total Disbursements	384,150	328,294	55,856	408,275	367,782	40,493
RECEIPTS OVER (UNDER) DISBURSEMENTS	(21,552)	3,178	24,730	(10,512)	(22,956)	(12,444)
CASH, JANUARY 1	188,758	188,758	0	211,714	211,714	0
CASH, DECEMBER 31	167,206	191,936	24,730	201,202	188,758	(12,444)
<b><u>EMERGENCY DISPATCH FUND</u></b>						
RECEIPTS						
Sales tax	200,000	197,769	(2,231)	190,000	203,533	13,533
Charges for services:	0	0	0	3,648	1,824	(1,824)
Interest	7,000	5,789	(1,211)	10,000	6,388	(3,612)
Other	0	3	3	100	17	(83)
Total Receipts	207,000	203,561	(3,439)	203,748	211,762	8,014
DISBURSEMENTS						
Salaries and benefits:	106,923	108,993	(2,070)	103,876	100,972	2,904
Office expenditures:	33,872	22,888	10,984	30,345	24,523	5,822
Equipment repairs	9,619	10,442	(823)	39,854	29,445	10,409
Equipment	900	1,445	(545)	3,400	3,369	31
Mileage and training	4,750	1,206	3,544	4,150	2,842	1,308
Contracted services:	43,997	42,067	1,930	39,700	34,870	4,830
Capital expenditures	23,835	23,891	(56)	0	0	0
Total Disbursements	223,896	210,932	12,964	221,325	196,021	25,304
RECEIPTS OVER (UNDER) DISBURSEMENTS	(16,896)	(7,371)	9,525	(17,577)	15,741	33,318
CASH, JANUARY 1	256,029	256,029	0	240,288	240,288	0
CASH, DECEMBER 31	239,133	248,658	9,525	222,711	256,029	33,318

The accompanying Notes to the Financial Statements are an integral part of this statement.

## Notes to the Financial Statements

GENTRY COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of various funds of Gentry County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, the Tri-County Health Center Board, or the Emergency Dispatch Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 2000, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Law Library Fund	2003
Community Development Block Grant Fund	2003 and 2002
Associate Circuit Division Interest Fund	2003 and 2002

Section 50.740, RSMo 2000, prohibits expenditures in excess of the approved budgets. However, expenditures exceeded budgeted amounts for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Special Road and Bridge	2002
Law Enforcement Training	2002
Prosecuting Attorney Bad Check	2003 and 2002
Emergency Preparedness	2003
Prosecuting Attorney Tax Collection	2002
Emergency	2003 and 2002
Sheriff's Civil Fees	2003
Victims Advocate	2002
Law Library	2002
Circuit Clerk Interest	2003 and 2002

A deficit budget balance is presented for the General Revenue Fund for the year ended December 31, 2003. However, the budget of that fund also included other resources available to finance current or future year disbursements. Generally, other available net resources represented current year property taxes not received before December 31. Such resources were sufficient to offset the deficit budget balance presented.

Although Section 50.740, RSMo 2000, requires a balanced budget, a deficit balance was budgeted in the Victim's Advocate Fund for the year ended December 31, 2003.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 2000, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

However, the county's published financial statements did not include the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Law Library Fund	2003
Emergency Dispatch Fund	2003 and 2002
Community Development Block Grant	2003 and 2002
Associate Circuit Division Interest	2003 and 2002



## 2. Cash

Section 110.270, RSMo 2000, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2000, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

The county's and the Tri-County Health Center Board's deposits at December 31, 2003 and 2002, were entirely covered by federal depository insurance or by collateral securities held by the county's or the board's custodial bank in the county's or the board's name.

The Emergency Dispatch Board's deposits at December 31, 2003 and 2002 were entirely covered by federal depository insurance.

## Supplementary Schedule

## Schedule

GENTRY COUNTY, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2003	2002
U. S. DEPARTMENT OF AGRICULTURE				
Passed through state:				
Department of Health and Senior Services -				
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ERS045-4137	\$ 43,919	0
	Program Total	ERSO45-2137	0	42,708
			43,919	42,708
10.559	Summer Food Service Program for Children	ERS14631371	130	0
	Program Total	ERS146-2137I	0	120
			130	120
U.S. DEPARTMENT OF JUSTICE				
Direct program:				
16.710	Public Safety Partnership and Community Policing Grants	98UMWX2417	0	40,342
Passed through state:				
Department of Public Safety -				
16.575	Crime Victim Assistance	2002-VOCA-0035	21,048	31,097
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state:				
Highway and Transportation Commission -				
20.205	Highway Planning and Construction	BRO-038(11)	420	0
		BRO-038(12)	3,510	206,414
		BRO-038(13)	230,982	8,009
	Program Total	BRO-038(14)	7,523	204,507
			242,435	418,930
Department of Public Safety -				
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	N/A	2,986	0
GENERAL SERVICES ADMINISTRATION				
Passed through state:				
Office of Administration -				
39.003	Donation of Federal Surplus Personal Property	N/A	44,049	373

## Schedule

GENTRY COUNTY, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2003	2002
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Passed through state:				
Department of Public Safety:				
83.552	Emergency Management Performance Grants	EMK-2002-GR-2523	4,401	0
		EMK-2003-GR-3003	0	3,253
		N/A	2,130	2,119
		N/A	0	2,136
	Program Total		<u>6,531</u>	<u>7,508</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through state:				
Department of Health and Senior Services -				
93.197	Childhood Lead Poisoning Prevention Projects	ERS146-3137L	9,353	0
	State and Local Childhood Lead Poisoning Prevention	ERS146-3137T	0	16,363
	and Surveillance of Blood Lead Levels in Children		<u>9,353</u>	<u>16,363</u>
	Program Total			
93.268	Immunization Grants	PGA064-2137A	18,157	16,631
		PGA064-3137A	4,450	0
		PGA064-3137A	0	3,415
	Program Total		<u>22,607</u>	<u>20,046</u>
93.283	Centers for Disease Control and Prevention -	N/A	6,700	12,999
	Investigations and Technical Assistance			
93.575	Child Care and Development Block Grant	PGA067-3137C	1,190	0
		PGA067-4137C	0	935
		PGA067-2137S	775	0
		PGA067-4137S	0	3,045
	Program Total		<u>1,965</u>	<u>3,980</u>
93.991	Preventive Health and Health Services Block Grant	AOC02380048	11,458	0
		DH030027001	0	26,160
	Program Total		<u>11,458</u>	<u>26,160</u>
93.994	Maternal and Child Health Services Block Grant	N/A	176	162
	to the States	DHO20027075	0	65
		ERS1462137M	37,538	50,735
		ERS1463137M		
		ERS1464137M		
		ERO175-9137FP		
		ERS175-1137FP		
	Program Total		<u>37,714</u>	<u>50,962</u>
	Total Expenditures of Federal Awards		<u>\$ 450,895</u>	<u>671,588</u>

N/A - Not applicable

The accompanying Notes to the Supplementary Schedule are an integral part of this schedule.

## Notes to the Supplementary Schedule

GENTRY COUNTY, MISSOURI  
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Gentry County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

*Federal financial assistance* means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals. . .

*Federal award* means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Amounts for Donation of Federal Surplus Personal Property (CFDA number 39.003) represent the estimated fair market value of property at the time of receipt.

Amounts for Immunization Grants (CFDA number 93.268) and the Maternal and Child Health Services Block Grant to the States (CFDA number 93.994) include both cash disbursements and the original acquisition cost of vaccines obtained by the Health Center through the state Department of Health and Senior Services.

2. Subrecipients

The county provided no federal awards to subrecipients during the years ended December 31, 2003 and 2002.

FEDERAL AWARDS -  
SINGLE AUDIT SECTION



## State Auditor's Report



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the County Commission  
and  
Officeholders of Gentry County, Missouri

Compliance

We have audited the compliance of Gentry County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the years ended December 31, 2003 and 2002. The county's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

In our opinion, Gentry County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the years ended December 31, 2003 and 2002. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with

OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as finding number 03-1.

### Internal Control Over Compliance

The management of Gentry County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the county's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as finding number 03-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe that the reportable condition described above is a material weakness.

This report is intended for the information and use of the management of Gentry County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo 2000, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, reading "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" and last name "McCaskill" clearly distinguishable.

Claire McCaskill  
State Auditor

September 30, 2004 (fieldwork completion date)

Schedule

GENTRY COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
YEARS ENDED DECEMBER 31, 2003 AND 2002

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness identified?        yes   x   no

Reportable condition identified that is  
not considered to be material weakness?        yes   x   none reported

Noncompliance material to the financial statements  
noted?        yes   x   no

Federal Awards

Internal control over major program:

Material weakness identified?        yes   x   no

Reportable condition identified that is  
not considered to be material weakness?   x   yes        none reported

Type of auditor's report issued on compliance for  
major program: Unqualified

Any audit findings disclosed that are required to be  
reported in accordance with Section .510(a) of OMB  
Circular A-133?   x   yes        no

Identification of major program:

CFDA or Other Identifying Number	<u>Program Title</u>
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as a low-risk auditee?

\_\_\_\_\_ yes        x   no

## Section II - Financial Statement Findings

This section includes no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

## Section III - Federal Award Findings and Questioned Costs

This section includes the audit finding that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

<b>03-1.</b>	<b>Schedule of Expenditures of Federal Awards</b>
--------------	---

Federal Grantor:	U.S. Department of Transportation
Pass-Through Grantor:	Highway and Transportation Commission
Federal CFDA Number:	20.205
Program Title:	Highway Planning and Construction
Pass-Through Entity	
Identifying Numbers:	BRO-038(11), BRO-038(12), BRO-038(13), and BRO-038(14)
Award Years:	2003 and 2002
Questioned Costs:	Not applicable

The county does not adequately track or report federal assistance on the schedule of expenditures of federal awards (SEFA) which could result in the loss of federal funds. Section .310(b) of Circular A-133, *Audits of State and Local Governments, and Non-Profit Organizations*, requires the auditee to prepare a SEFA for the period covered by the auditee's financial statements. The county is required to submit the SEFA to the State Auditor's Office as part of the annual budget. For the SEFA to adequately reflect the county's federal expenditures, it is necessary that all federal expenditures be properly reported. Compilation of the SEFA requires consulting county financial records and requesting information from other departments and/or officials.

The overall incompleteness and inaccuracies contained in the SEFA indicates that the County Clerk's efforts were inadequate. Although expenditures reported for Highway Planning and Construction were materially correct, the county's SEFA schedule contained several errors and omissions. The 2003 and 2002 SEFA schedules prepared by the County Clerk understated total expenditures by \$33,096 and \$25,227, respectively.

Without an accurate SEFA, federal financial activity can not be properly audited and reported in accordance with federal audit requirements.

A similar condition was noted in the two prior reports.

**WE AGAIN RECOMMEND** the County Clerk prepare a complete and accurate schedule of expenditures of federal awards.

**AUDITEE'S RESPONSE**

*I agree and I will ensure the 2004 SEFA schedule is accurately reported.*

Follow-Up on Prior Audit Findings for an  
Audit of Financial Statements Performed in Accordance  
With *Government Auditing Standards*



GENTRY COUNTY, MISSOURI  
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

The prior audit report issued for the two years ended December 31, 2001, included no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Summary Schedule of Prior Audit Findings  
in Accordance With OMB Circular A-133

GENTRY COUNTY, MISSOURI  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
IN ACCORDANCE WITH OMB CIRCULAR A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

This section represents the Summary Schedule of Prior Audit Findings, which was prepared by the county's management.

01-1. Schedule of Expenditures of Federal Awards

Federal Grantor:	U.S. Department of Transportation
Pass-through Grantor:	State Highway and Transportation Commission
Federal CFDA Number:	20.205
Program Title:	Highway Planning and Construction
Pass-through Entity	
Identifying Numbers:	BRO-038
Award Years:	2000 and 2001
Questioned Costs:	Not Applicable
Federal Grantor:	U.S. Department of Agriculture
Pass-through Grantor:	State Department of Health
Federal CFDA Number:	10.557
Program Title:	Special Supplemental Nutrition Program for Women, Infants and Children
Pass-through Entity	
Identifying Numbers:	ER0045-0137, ERSO45-2137, and ERSO451B7W
Award Years:	2000 and 2001
Questioned Costs:	Not Applicable

The county did not have procedures in place to adequately identify federal assistance for preparation of the SEFA. For the years ended December 31, 2001 and 2000, the county's SEFA did not always agree with the county's expenditure records.

Recommendation:

The county prepare a complete and accurate schedule of expenditures of federal awards to submit to the State Auditor's Office as part of the annual budget.

Status:

Not implemented. See finding number 03-1.

## MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -  
State Auditor's Findings

GENTRY COUNTY, MISSOURI  
MANAGEMENT ADVISORY REPORT -  
STATE AUDITOR'S FINDINGS

We have audited the financial statements of various funds of Gentry County, Missouri, as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated September 30, 2004. We also have audited the compliance of Gentry County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the years ended December 31, 2003 and 2002, and have issued our report thereon dated September 30, 2004.

In addition, we have audited the operations of elected officials with funds other than those presented in the financial statements to comply with the State Auditor's responsibility under Section 29.230, RSMo 2000, to audit county officials at least once every 4 years. The objectives of this audit were to:

1. Review the internal controls over the transactions of the various county officials.
2. Review compliance with certain legal provisions.

Our methodology to accomplish these objectives included reviewing accounting and bank records and other pertinent documents; interviewing various personnel of the county officials, as well as certain external parties; and testing selected transactions.

In addition, we obtained an understanding of internal controls significant to the audit objectives and considered whether specific controls have been properly designed and placed in operation. However, providing an opinion on internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We also obtained an understanding of legal provisions significant to the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting significant instances of noncompliance with the provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances.

This Management Advisory Report (MAR) presents any findings arising from our audit of the elected county officials referred to above. In addition, this report includes any findings other than those, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These MAR findings resulted from our audit of the financial statements of Gentry County or of its compliance with the types of compliance requirements applicable to its major federal program but do

not meet the criteria for inclusion in the written reports on compliance and on internal control over financial reporting or compliance that are required for audits performed in accordance with *Government Auditing Standards* and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

<b>1. Officials' Salaries</b>
-------------------------------

The county has not taken action on mid-term salary increases given to the Associate County Commissioners in 1999 and some officials' salaries were not always handled consistent with the salary commission decisions.

- A. Section 50.333.13, RSMo, enacted in 1997, allowed salary commissions meeting in 1997 to provide mid-term salary increases for associate county commissioners elected in 1996. The motivation behind this amendment was the fact that associate county commissioners' terms had been increased from two years to four years. Based on this statute, in 1999 Gentry County's Associate County Commissioners' salaries were each increased approximately \$3,250 yearly, according to information from the County Clerk.

On May 15, 2001, the Missouri Supreme Court handed down an opinion in a case that challenged the validity of that statute. The Supreme Court held that this section of the statute violated Article VII, Section 13 of the Missouri Constitution, which specifically prohibits an increase in compensation for state, county and municipal officers during the term in office. This case, *Laclede County v. Douglass et al.*, holds that all raises given pursuant to this statute section are unconstitutional. On June 5, 2001, the State Auditor notified all third class counties of the Supreme Court decision and recommended that each county document its review of the impact of the opinion, as well as plans to seek repayment.

The 1997 Gentry County Salary Commission minutes did not address the issue of mid-term raises for the associate county commissioners.

Based upon the Supreme Court decision, the raises given to each of the Associate County Commissioners, totaling approximately \$6,500 for the two years ended December 31, 2000 should be repaid. The County Commission has not reviewed the impact of this decision and has not developed a plan for obtaining repayment of the salary overpayments.

- B. Officials' salaries were not always handled consistent with the salary commission decisions. There was some question as to whether the associate county commissioners' salaries, established at the 1999 salary commission meeting, were set at a level below the statutory amount. In November 1999, the county obtained a written legal opinion from the Prosecuting Attorney regarding various salary issues, including the associate county commissioners' salaries, and based on this opinion the



salaries were established. A subsequent opinion from the Prosecuting Attorney issued in 2002 indicated his previous opinion was in error, but made no mention of corrections to the associate county commissioners' salaries, although an adjustment was made to the County Clerk's salary in 2002 for underpayments in previous years.

Based on the various opinions and actions taken, it appears the County Commission needs to review the entire situation and request a legal opinion from the Prosecuting Attorney regarding the salaries paid to associate county commissioners.

**WE RECOMMEND** the County Commission:

- A. Review the impact of this decision and develop a plan for obtaining repayment of the salary overpayments.
- B. Consult with legal counsel and review the situation to ensure the actions taken were in accordance with state law.

**AUDITEE'S RESPONSE**

*A&B. At all times the Gentry County Commissioners and the salary commission of Gentry County have made an earnest attempt to comply with the state law regarding salaries of elected officials. When questions arose, there was no court interpretation of the statutes in question. Only after the Supreme Court considered the matter was there any clear cut resolution of a certain problem. There remain other problems for which there is no court mandated clear cut resolution. In regard to the audit contention that associate county commissioners were overpaid over two years ending December 31, 2000, the present commission takes no action. The matter will be presented to the new commission after January 1, 2005 for review and possible action.*

*We disagree with the statement in the audit report that officers' salaries were not always consistent with the salary commission decisions. We agree that the entire situation should be reviewed by the new County Commission and we will obtain such legal opinions as we believe necessary to consider the entire salary situation for the period questioned by the auditor. We note that the years 2000 and prior have already been audited by the State Auditor's Office without comment as to salary matters. It is only after the decision by the Supreme Court in 2001, something that no one had the benefit of until that time, that this matter has now become an issue.*

<b>2. Sheriff's Accounting Controls and Procedures</b>
--

The Sheriff's office collects approximately \$75,000 annually. Duties are not adequately segregated and there is no independent oversight. Numerous weaknesses were noted during our review of receipts. Monthly open items listings are not prepared and monthly bank

reconciliations are not performed. Adequate controls over seized property have not been established.

- A. Duties are not adequately segregated and there is no independent oversight. The Sheriff is responsible for all accounting duties including recording, depositing, and disbursing monies, as well as reconciling the bank accounts. As a result of the Sheriff performing all accounting duties of the office without any oversight, errors can and have occurred without detection. The Sheriff should consider segregating accounting duties. If this is not possible, the Sheriff should provide for an independent review of these records.
- B. Numerous weaknesses were noted during our review of receipt procedures and bank reconciliations.
  - 1) Receipt slips are not issued for some monies received. The method of payment is also not always indicated on the receipt slips. To ensure receipts are handled properly, receipt slips should be issued for all monies received. In addition, the method of payment should be indicated on each receipt slip and the composition (cash and checks) should be reconciled to the composition of bank deposits.
  - 2) The numerical sequence of receipt slips is not accounted for, receipts are not always posted to the different cash control ledgers properly and the receipts that are posted are not always posted in numerical sequence. Therefore, the numerical sequence of receipt slips is not accounted for to ensure all monies receipted were properly recorded in the cash control ledger and deposited. Accounting for the numerical sequence of receipt slips is necessary to ensure proper recording and accountability of receipts.
  - 3) Receipts are not always deposited intact. When gun permits are collected, the Sheriff indicated the receipts are not always posted to the cash control ledger and deposited. Gun permit receipts are sometimes withheld for making change. For example, three of four January 2003 gun permit receipts were not posted to the cash control ledger and could not be traced to a deposit. The Sheriff indicated these monies were put into a change fund. During our August 2004 cash count though, the Sheriff had no change fund. To adequately safeguard cash receipts and reduce the risk of loss or misuse of funds, all receipts should be recorded immediately upon receipt. In addition, gun permit monies should be deposited with all other receipts daily or when accumulated receipts exceed \$100. If a change fund is needed, it should be established and maintained at a constant amount.
  - 4) Monthly bank reconciliations are not always performed and open items listings are not prepared. The reconciled balance for December 2003 was \$721, while the book balance was \$751 and liabilities were not identified.

The Sheriff was unable to provide an explanation for the difference and was unwilling to provide a listing of liabilities.

Preparation of monthly open items listings, in conjunction with reconciliations to book and bank balances, is necessary to ensure sufficient assets exist to cover liabilities and allow for timely correction of errors. Without preparing monthly bank reconciliations, there is little assurance that cash receipts and disbursements have been handled and recorded or that bank or book errors will be detected and corrected in a timely manner. Any differences noted should be promptly investigated and resolved.

- C. Adequate control over seized property has not been established. A complete log of seized property is not maintained and periodic inventories of the property on hand are not conducted. In August 2003, the Sheriff began recording seized property in a log, but seized property on hand has not been posted to the log. In addition, access to the seized property room is not adequately controlled. Current procedures have each deputy responsible for bringing in seized items and posting them to the log.

Considering the often sensitive nature of the seized property, adequate internal controls are essential and would significantly reduce the risk of theft or misuse of the stored items. An inventory record should include information such as description of the property, persons involved, current location, case number, and disposition of such property. Officers should be required to sign the inventory record when evidence is removed from the room and access to the room should be limited. Periodic physical inventories should be performed and the results compared to the inventory records to ensure that seized property is accounted for properly.

**WE RECOMMEND** the Sheriff:

- A. Segregate accounting duties to the extent possible or ensure periodic independent reviews are performed and documented.
- B.1. Ensure pre-numbered receipt slips are issued for all monies received, the method of payment is indicated on all receipt slips and the composition of receipts is reconciled to the composition of bank deposits.
2. Account for the numerical sequence of receipt slips issued.
3. Ensure all receipts are recorded immediately upon receipt. In addition, the Sheriff should deposit gun permit monies with other receipts daily or when receipts exceed \$100. If a change fund is needed, it should be established and maintained at a constant amount.

4. Prepare a listing of open items on a monthly basis and reconcile the listing to bank and book balances. In addition, require complete and accurate bank reconciliations be performed each month.
- C. Prepare and maintain complete inventory records of seized property. Periodic physical inventories should be performed and compared to the inventory records and access to the seized property room should be limited.

### **AUDITEE'S RESPONSE**

- A. *Effective January 2005, I will ensure that an independent person reviews the bank reconciliations and reconciles receipts to deposits.*
- B.1. *I have already implemented this recommendation.*
  2. *I am now ensuring that the sequences of receipt slips are posted numerically.*
  3. *I have already stopped withholding cash for change, and will discuss establishing a change fund with the County Commission.*
  4. *I have researched the liabilities in my office, and have identified monies to be turned over to the County Treasurer. In the future, I will ensure bank reconciliations are done monthly and reconciled to open items.*
- C. *We are now maintaining a log of items seized and will ensure that physical inventories are conducted periodically. I will consider changing seized property procedures, and will discuss procedures with surrounding counties to get some ideas on their handling of seized property.*

<b>3. Townships</b>
---------------------

The county distributes monies to townships without proper written contracts. The County Clerk does not ensure townships' annual financial statements are prepared and published or that township collectors' bond coverage was adequate.

- A. The County Commission distributed approximately \$195,000 of County Aid Road Trust (CART) monies during the two years ended December 31, 2003 to the townships without entering into written contracts.

To ensure CART monies are used only for road-related purposes, the County Commission should obtain written contracts with the townships which document the specific services to be provided for the use of these monies.

- B. The County Clerk does not ensure the township boards' financial statements are prepared and published. Only five of eight townships prepared a financial statement and filed it with the county. In addition, only one township provided proof of publication of their financial statement to the County Clerk.

Section 231.290, RSMo 2000, requires the County Clerk to prepare a form to be utilized by the townships to provide a detailed account of their financial activity, along with an inventory of the townships property, which should be published in a local newspaper and filed with the County Clerk. Section 231.280, RSMo 2000, requires each township to annually publish certain financial information and submit a copy of the published financial report to the County Clerk.

- C. Some township collectors bonds were insufficient by amounts ranging from approximately \$700 to \$3,600. The level of bond coverage required for each township collector is determined by the County Clerk.

Section 65.460, RSMo 2000, requires a township collector to give bond in a sum for any month equal to the average total monthly collection for the same month during the preceding four years, but not to exceed one-half the largest amount collected during any one year preceding his/her election or appointment, including school taxes. This section also requires the county commission to examine the bonds of township collectors annually for adequate coverage.

**WE RECOMMEND** the County Commission and the County Clerk:

- A. Obtain written agreements with the townships for any distribution of CART monies.
- B. Prepare a form to be utilized by the townships that provides a detailed account of the township's financial activity and property. In addition, the County Clerk should ensure all townships file their detailed financial statements with the county and publish in a local newspaper in accordance with state law.
- C. Require all township collectors to file bonds in amounts necessary for compliance with Section 65.460, RSMo 2000.

**AUDITEE'S RESPONSE**

- A. *We will get a contract for CART monies in 2005.*
- B. *We will take the steps to ensure that these are submitted and published in 2005.*
- C. *We will ensure this is done in 2005.*

**4.****Emergency Dispatch**

The Emergency Dispatch Board approved some items which did not appear to be prudent uses of public funds. In addition, meeting minutes were not maintained for executive closed meetings.

- A. During the two years ended December 31, 2003, the Emergency Dispatch Board paid bonuses to eight employees, totaling \$200 per year. Each employee received \$25 per year in December and there was no indication in the payroll records that this payment was compensation for additional hours worked.

These bonuses represent additional compensation for services previously rendered and, as such, are in violation of Article III, Section 39 of the Missouri Constitution and Attorney General's Opinion No. 72, 1955 to Pray, which states "...a governmental agency deriving its power from the Constitution and laws of the state would be prohibited from granting extra compensation in the form of bonuses to public officials after the service has been rendered."

- B. Minutes of closed board meetings are not prepared and decisions made and votes taken in closed session are not disclosed in open session. The board held several closed sessions during our audit period, but without minutes, it was not determinable whether discussions held during these sessions were allowable. Disclosures of decisions or votes taken in closed session were not documented in subsequent open session minutes.

Effective August 28, 2004, Section 610.020, RSMo, provides that minutes of closed meetings should be prepared and retained.

In addition, Section 610.021, RSMo 2000, allows the board to close meetings to the extent the meetings relate to certain specified subjects, including litigation, real estate transactions, and certain personnel issues, and requires the votes taken and final decisions to be made public. Section 610.022, RSMo 2000, requires the board to vote in open session to close a meeting and to announce publicly the reasons for going into closed session. This law also provides that public governmental bodies shall not discuss, record, or vote on any other business during the closed meeting that differs from the specific reasons used to justify such meeting.

**WE RECOMMEND** the Emergency Dispatch Board:

- A. Discontinue the practice of paying bonuses to employees.
- B. Ensure minutes are prepared, approved, and retained for all closed meetings and that decisions or votes taken in closed session are disclosed publicly if required.

## **AUDITEE'S RESPONSE**

- A. *We will take this recommendation under advisement.*
- B. *We agree and are now preparing the closed meeting minutes.*

<b>5. Tri- County Health Center</b>
-------------------------------------

Tri-County Health Center's capital asset records and procedures are in need of improvement. In addition, timesheets and expense sheets were not reviewed and signed by the Administrator.

- A. Capital asset records and procedures are in need of improvement. Tri-County Health Center maintains a master listing of capital assets which includes the purchase price or value, serial number, and acquisition dates. Our review of the capital asset records indicated the following problems:
- Physical inventories are not conducted annually. The last physical inventory was apparently conducted in 2001.
  - Capital assets are not always tagged with inventory numbers.
  - A comparison of capital asset purchases to additions is not performed.

Adequate capital asset records are necessary to secure better internal control over Tri-County Health Center property, meet statutory requirements, and provide a basis for determining proper insurance coverage required on Tri-County Health Center property. Annual physical inventories of property are necessary to ensure the capital asset records are accurate, identify any unrecorded additions and deletions, detect theft of assets, and identify obsolete assets. Property control tags should be affixed to all capital assets to help improve accountability and ensure assets are properly identified as belonging to the Tri-County Health Center.

- B. The Health Center Administrator indicated she reviews employees' timesheets for accuracy, but her review is not documented. In addition, a board member does not review and approve the administrator's time sheet. The Fair Labor Standards Act (FLSA) requires employers to keep accurate records of actual time worked by employees, including compensatory time earned, taken, or paid. The time sheets should be prepared by the employee, and approved by the applicable supervisor to provide additional assurance that all information recorded is accurate.

**WE RECOMMEND** the Tri-County Health Center Board:

- A. Establish a written policy related to the handling and accounting for capital assets. Ensure all capital asset items are properly numbered and tagged, and a physical inventory is conducted on an annual basis.
- B. Ensure supervisory review of time sheets is documented.

**AUDITEE'S RESPONSE**

- A. *We agree and will ensure this is done starting in 2005.*
- B. *This has been implemented.*

<b>6. Capital Assets</b>
--------------------------

Capital asset records and procedures are in need of improvement. The County Clerk maintains a master listing of capital assets which includes the purchase price or value, serial number, and acquisition dates. Each official is required to do an annual physical inventory of their assets, and submit the listing to the County Clerk for updating of the master listing. Our review of the capital asset records indicated the following problems:

- Physical inventories are not conducted annually. The last physical inventory was apparently conducted in 2001.
- Capital assets are not always tagged with inventory numbers.
- The method and date of disposition are not recorded.
- A comparison of capital asset purchases to additions is not performed.

Per Section 49.091, RSMo 2000, the County Commission or its designee is responsible for maintaining a complete detailed record of county property. In addition, Section 49.093, RSMo 2000, provides that the officer or their designee is responsible for performing periodic inventories and inspections. Adequate capital asset records are necessary to secure better internal control over county property, meet statutory requirements, and provide a basis for determining proper insurance coverage required on county property. Annual physical inventories of county property are necessary to ensure the capital asset records are accurate, identify any unrecorded additions and deletions, detect theft of assets, and identify obsolete assets. Property control tags should be affixed to all capital assets to help improve accountability and ensure assets are properly identified as belonging to the county.

Similar conditions were noted in our prior report.



**WE AGAIN RECOMMEND** the County Commission establish a written policy related to the handling and accounting for capital assets. In addition to providing guidance on accounting and record keeping, the policy could include necessary definitions, address important dates, establish standardized forms and reports to be used, discuss procedures for the handling of asset disposition, and any other concerns associated with county property.

**AUDITEE'S RESPONSE**

*We will take steps to ensure this is done.*

<b>7. Fuel and Vehicle Records</b>
------------------------------------

Monthly reconciliations of fuel purchases, usage, and inventories for fuel maintained in the county's bulk fuel tanks were not prepared. In addition, while vehicle logs are maintained and fuel usage is posted to the logs, beginning and ending odometer readings are not always recorded. During the two years ended December 31, 2003, the county spent approximately \$13,000 on fuel purchases. The Road and Bridge department should maintain a fuel inventory record, adding all fuel purchased and deducting all fuel used. In addition, fuel on hand should be measured on a periodic basis and agreed to the fuel inventory record.

Vehicle logs are necessary to document appropriate use of the vehicles and to support gasoline charges. The logs should include the purpose and destination of each trip, the daily beginning and ending odometer readings, and the operation and maintenance costs. These logs should be reviewed by a supervisor to ensure vehicles are used only for county business and help identify vehicles which should be replaced. Information on the logs should be reconciled to gasoline purchases and other maintenance charges.

A similar condition was noted in our prior report.

**WE RECOMMEND** the County Commission maintain an inventory record of the Road and Bridge Department fuel stored in bulk tanks and perform a physical inventory of the fuel. In addition, the County Commission should ensure beginning and ending odometer readings are recorded in the logs.

**AUDITEE'S RESPONSE**

*We plan to discontinue the use of bulk fuel tanks and will take steps to ensure fuel logs are complete in the future.*

**8.****Closed Meetings**

The County Commission regularly conducts closed sessions but does not maintain minutes for the closed sessions. Minutes of applicable open meetings did not always indicate the decisions made and votes taken in closed session.

Effective August 28, 2004, Section 610.020, RSMo, provides that minutes of closed meetings should be prepared and retained.

Section 610.021, RSMo 2000, allows the County Commission to close meetings to the extent the meetings relate to certain subjects, including litigation, real estate transactions, and personnel matters, and requires the votes taken and final decisions to be made public. Section 610.022, RSMo 2000, requires the County Commission to vote in open session to close a meeting and to announce publicly the reasons for going into closed session. This law also provides that public governmental bodies shall not discuss, record, or vote on any other business during the closed meeting that differs from the specific reasons used to justify such meeting.

**WE RECOMMEND** the County Commission ensure minutes are prepared, approved, and retained for all closed meetings and that decisions or votes taken in closed session are disclosed publicly if required.

**AUDITEE'S RESPONSE**

*We will keep closed meeting minutes in the future and disclose decisions publicly in the open minutes as applicable.*

## Follow-Up on Prior Audit Findings

## GENTRY COUNTY, MISSOURI FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Gentry County, Missouri, on findings in the Management Advisory Report (MAR) of the audit report issued for the two years ended December 31, 1999.

The prior recommendations which have not been implemented, but are considered significant, are repeated in the current MAR. Although the remaining unimplemented recommendations are not repeated, the county should consider implementing those recommendations.

### 1. Federal Bridge Project Credits

The county had not established procedures to ensure the Missouri Department of Transportation (MoDOT) bridge project credit records were in agreement with the county's records.

#### Recommendation:

The County Commission periodically reconcile the county's bridge project credit records to the MoDOT's records and investigate any discrepancies.

#### Status:

Implemented.

### 2. Budgetary Practices and Published Financial Statements

- A. Formal budgets were not prepared or obtained for various county funds for the years ended December 31, 1999 and 1998.
- B. The annual published financial statements of the county did not include the financial activity of some county funds as required.
- C. The County Treasurer had not established a fund for the deposit of the Sheriff's civil fees.

#### Recommendation:

- A. The County Commission ensure budgets are prepared or obtained for all county funds.
- B. The County Commission ensure financial information for all county funds is properly reported in the annual published financial statements.

- C. The County Treasurer establish a Sheriff's Civil Fees fund as required by state law, and work with the Sheriff's department to ensure that the proper fees are placed in this fund. In addition, the County Commission should require the Sheriff to submit an annual budget outlining his plans for this fund.

Status:

A&B. Partially implemented. While the county showed improvement, some funds were not budgeted and included in the published financial statements. Although not repeated in the current report, our recommendations remain as stated above.

- C. Implemented.

3. Salary Payments, Personnel Policies, and Fringe Benefit Records

- A. In 1998, the county's assessed valuation increased to \$55.3 million, which increased the statutory base rate for the County Assessor's salary. The county had apparently not considered this increased in the base rate when computing the annual salary of the County Assessor, whose date of incumbency was September 1.
- B. The timesheets prepared by the Sheriff's department jailer indicated that he normally worked more than eight hours per day and more than forty hours per week. It appeared the jailer was not paid for extra hours worked or given compensatory time off. In addition, another Sheriff's department employee was paid only \$500 in October 1999, while his time sheet indicated he worked 171 hours.
- C. The county had no procedures in place to reconcile cafeteria plan contributions pledged to receipts of the fund.

Recommendation:

- A. The County Commission consult with the Prosecuting Attorney regarding the County Assessor's salary and ensure the salary is set in accordance with state law and the salary commission decisions.
- B. The County Commission review county payroll policies and ensure the county appropriately considers any policy changes needed along with FLSA requirements when handling employee payrolls. This policy review should include obtaining appropriate legal opinions and, if necessary, consultation with the U.S. Department of Labor.
- C. The County Clerk reconcile medical reimbursement plan contributions pledged to the receipts of the Medical Reimbursement Fund on a monthly basis.

Status:

- A. Partially implemented. Based on the Prosecuting Attorney's legal opinion, the county paid the Assessor for the salary underpayment. However, it appears the Assessor still may not have been paid the appropriate amount and she has filed a lawsuit against the county. Although not repeated in the current report, our recommendation remains as stated above.
- B. Not implemented. Although not repeated in the current report, our recommendation remains as stated above.
- C. Implemented.

4. Mileage, Fuel, and Vehicle Records

- A. Mileage reimbursement requests submitted by the Sheriff's deputies did not always include detailed information about the purpose of the trip and the destination.
- B. A vehicle usage log was not maintained for the Sheriff's county vehicle, and logs maintained for the eight Road and Bridge Department vehicles only indicated total miles driven during the month and total fuel and oil used during the month.
- C. The county maintained gasoline and diesel fuel in bulk tanks for use in county vehicles and equipment. Records were maintained to document the amount of fuel pumped into each vehicle and piece of equipment. A Road and Bridge Department employee indicated that he compared fuel usage to miles driven for each vehicle, but documentation of the comparisons was not retained and reviewed by the County Commission.

Recommendation:

- A. Require the Sheriff's deputies to record detailed information as to actual mileage destinations traveled, and purpose of official county business on mileage reimbursement requests.
- B. Require the Sheriff and Road and Bridge Department to maintain usage logs on all county vehicles which identify the vehicle operator, dates of use, miles driven, destination and purpose of trips, and the fuel and maintenance expenses incurred.
- C. Periodically review comparisons of fuel usage to miles driven for each county vehicle and ensure documentation of the comparisons is properly retained.

Status:

- A. Implemented.
- B. Partially implemented. While the Sheriff's Department vehicle logs included more detail, the usage logs maintained by Road and Bridge Department only indicated total miles driven and total fuel and oil usage. See MAR finding number 7.
- C. Not implemented. See MAR finding number 7.

5. General Fixed Asset Records and Procedures

The additions and deletions of general fixed assets were recorded annually on the county's general fixed asset records; however, additions were not reconciled to general fixed asset purchases. In addition, property tags were placed upon fixed asset purchases annually instead of immediately, and annual inventories were not performed.

Recommendation:

The County Commission establish a written policy related to the handling and accounting for general fixed assets. In addition to providing guidance on accounting and record keeping, the policy could include necessary definitions, address important dates, establish standardized forms and reports to be used, discuss procedures for the handling of asset disposition, and any other concerns associated with county property. In addition, all general fixed asset purchases and dispositions should be recorded as they occur and purchased items should be tagged or identified as county-owned property upon receipt.

Status:

Not implemented. See MAR finding number 6.

6. Township Collector's Bonds

Various township collectors' bonds were insufficient.

Recommendation:

The County Commission require all township collectors to file bonds in amounts necessary for compliance with state law.

Status:

Not implemented. See MAR finding number 3.

7. Tri-County Health Center Board

- A. Accounting and bookkeeping duties were not adequately segregated. The Health Center Administrator did not review the bank reconciliations and did not document her review of the bookkeeper's work.
- B. Supervisory approval was not documented on time sheets and supervisory approval of expense reimbursement claim forms was not always documented.
- C. Expense reimbursement claim forms did not always indicate the destination of each trip and the employees' official domicile.
- D. The Health Center's agreement with the depository bank did not include a provision for pledging collateral securities, and as a result, collateral securities were not pledged by the Health Center Board's depository bank for deposits in excess of the Federal Deposit Insurance Corporation (FDIC) coverage. At December 31, 1999 and 1998, the board's bank balance exceeded FDIC coverage by \$151,169 and \$181,628, respectively.
- E. The administrator and all three members of the Health Center Board were authorized to sign checks; however, these individuals were not bonded.

Recommendation:

- A. Adequately segregate accounting and bookkeeping duties to the extent possible or ensure periodic supervisory reviews are performed and documented.
- B. Require documentation of supervisory approval on all time sheets and expense reimbursement claim forms.
- C. Require Health Center employees to document departure points and destinations on expense reimbursement claim forms.
- D. Ensure the bank depository agreement includes a provision to ensure adequate collateral securities are pledged for all deposits in excess of FDIC coverage.
- E. Obtain adequate bond coverage for all persons with access to negotiable assets.

Status:

- A, D  
&E. Implemented.
- B. Not implemented. See MAR finding number 5.



C. Not implemented. Travel expenses during our audit period were minimal. Although not repeated in the current report, our recommendation remains as stated above.

8. Emergency Dispatch Board Bonding

All officers of the Emergency Dispatch Board were authorized to sign checks; however, only the board treasurer was bonded. In addition, the coordinator, who handled petty cash and was authorized to sign checks, was not bonded.

Recommendation:

The Emergency Dispatch Board obtain adequate bond coverage for all persons with access to negotiable assets.

Status:

Implemented.

## STATISTICAL SECTION

History, Organization, and  
Statistical Information

# GENTRY COUNTY, MISSOURI HISTORY, ORGANIZATION, AND STATISTICAL INFORMATION

Organized in 1845, the county of Gentry was named after Richard Gentry, a Seminole War general. Gentry County is a township-organized, third-class county and is part of the Fourth Judicial Circuit. The county seat is Albany.

Gentry County's government is composed of a three-member county commission and separate elected officials performing various tasks. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining 190 county bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The townships maintain approximately 580 miles of county roads.

The county's population was 7,887 in 1980 and 6,861 in 2000. The following chart shows the county's change in assessed valuation since 1980:

		Year Ended December 31,				
		2003	2002	2001	2000	1985* 1980**
		(in millions)				
Real estate	\$	38.1	36.9	35.4	35.5	32.1 20.1
Personal property		20.7	18.7	18.5	18.2	7.5 5.9
Railroad and utilities		4.7	5.1	5.2	4.8	3.6 5.0
Total	\$	63.5	60.7	59.1	58.5	43.2 31.0

\* First year of statewide reassessment.

\*\* Prior to 1985, separate assessments were made for merchants' and manufacturers' property. These amounts are included in real estate.

Gentry County's property tax rates per \$100 of assessed valuations were as follows:

		Year Ended December 31,			
		2003	2002	2001	2000
General Revenue Fund	\$	.5200	.5200	.5200	.5000

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and payable by December 31. Taxes paid after December 31 are subject to penalties. The county and townships bill and collect property taxes for themselves and most other local governments. Taxes collected were distributed as follows:

	Year Ended February 28 (29),			
	2004	2003	2002	2001
State of Missouri	\$ 19,281	18,327	17,968	17,751
General Revenue Fund	331,338	315,330	308,202	293,638
Assessment Fund	41,863	38,978	38,376	37,427
Townships and Roads	620,919	599,269	586,158	549,325
School districts	2,542,033	2,414,110	2,372,392	2,345,627
Library district	152,896	145,269	142,948	139,747
Ambulance district	114,360	108,657	106,644	105,337
Fire protection district	191,977	182,242	177,755	173,027
Watershed district	9	9	9	9
Cities	91,506	15,967	15,942	15,777
County Clerk	1,009	2,166	1,039	1,144
County Employees' Retirement	20,964	17,595	18,948	17,127
Tax Maintenance Fund	6,048	333	0	0
Commissions and fees:				
General Revenue Fund	26,300	26,091	26,471	24,889
Township Collectors	33,323	31,241	30,588	30,102
Total	\$ 4,193,826	3,915,584	3,843,440	3,750,927

Percentages of current taxes collected were as follows:

	Year Ended February 28 (29),				
	2003	2002	2001	2000	
Real estate	92	92	93	93	%
Personal property	88	89	89	89	
Railroad and utilities	100	99	100	100	

Gentry County also has the following sales taxes; rates are per \$1 of retail sales:

	Rate	Expiration Date	Required Property Tax Reduction
General	\$ .0050	None	None
Central dispatching of emergency services	.0050	None	None
Use tax	.0100	None	None

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below.

Officeholder	2004	2003	2002	2001	2000
County-Paid Officials:	\$				
Marshall Pile, Presiding Commissioner		23,120	17,000	17,000	17,000
Billie Rigney, Associate Commissioner		21,120	15,000	15,000	
Ronald Peterson, Associate Commissioner		19,120	15,000	15,000	14,450
Kenneth R. Hensley, Associate Commissioner					14,450
Carol Reidlinger, County Clerk		32,044			
Ronnie Mercer, County Clerk (1)			42,500	28,500	28,500
Edward M. Manning, Prosecuting Attorney		39,000	33,000	33,000	33,000
Eugene Lupfer, Sheriff		38,000	38,000	38,000	29,680
Bryan Polley, County Coroner		9,000	9,000	2,750	0
Marvin D. Combs, County Coroner				5,250	4,675
Judith Pickering, Public Administrator (2)		25,000	25,000	27,200	17,830
Sue Hopkins, Treasurer and Ex Officio County Collector, year ended March 31	32,000	32,000	32,000	26,328	
Sheryl Coburn, County Assessor (3) year ended August 31,		32,900	32,900		
Betty Boulting Dykes, County Assessor (3), year ended August 31,				28,100	29,233

(1) Includes \$10,500 one time compensation in 2002 for errors made in previous years' salary.

(2) Includes fees received from probate cases in 2000 and 2001.

(3) Includes \$900 annual compensation received from the state.

State-Paid Officials:

John Whitaker, Circuit Clerk and Ex Officio Recorder of Deeds	47,300	47,300	47,300	46,127
Roger E. Combs, Associate Circuit Judge	96,000	96,000	96,000	97,382